

**Bureau of Land Management**  
**California Idle Well Policy**  
**Bakersfield Field Office**  
3-15-02

**BACKGROUND AND POLICY:**

The regulations at **43 CFR 3162.3-4(c)** state that no well may be Temporarily Abandoned (TA) for more than 30 days without prior approval of the Authorized Officer (AO). Approval may be granted for a maximum period of 12 months, and may be extended for additional 12 month periods at the discretion of the AO. All TA wells must have current BLM approval. All wells that have been in Shut In (SI) status for 180 days or longer must have prior approval and justification that is acceptable to the AO.

Due to age or neglect, and often to a combination of both, it is probable that some idle wells have deteriorated well casings and tubulars. Once the true status of these wells is documented, the AO may require operators to test or otherwise demonstrate the integrity of well casings. Evidence of casing damage will require further appropriate action to repair or to permanently plug and abandon the wells as per **43 CFR 3162.3-4(a)**.

Pursuant to nationwide BLM policy, this idle well policy shall be implemented for onshore federal leases in California, thereby reducing the potential for future government liability to plug and abandon wells on BLM-supervised lands.

**DEFINITIONS**

**Service well** means a non-productive completion used to support the production of oil or gas, such as for injection, disposal, or observation purposes.

**Temporarily abandoned (TA) well** is an idle well which is physically or mechanically incapable of producing oil and/or gas of sufficient value to exceed direct operating costs, but may have value as a recompletion candidate, service completion for enhanced recovery or water disposal.

**Shut-in (SI) Well** - An idle well which is physically and mechanically capable of producing oil and/or gas in paying quantities or capable of service use but had no volumes of oil and/or gas produced or fluid injected during the specific time period. To clarify the distinction between a SI well and a TA well, all equipment to produce a shut-in well must remain onsite so the well can be produced by simply "turning a valve" or "activating a pump". Examples of SI wells would include wells which were not produced due to market restrictions, weather related problems, or wells which were being "worked over" or recompleted.

An **Orphan Well** is an idle well that is not associated with a responsible or liable party.

## **OBJECTIVE:**

The primary objective of this policy is to reduce the number of idle wells on federal lands in California to those which truly have a future beneficial use. The BLM does not seek to completely eliminate all idle wells, nor to dictate to operators which specific wells must be abandoned. To achieve this objective, the Bakersfield Field Office (BFO) will:

- 1) conduct annual reviews to verify the status of every well to ensure its proper classification, and accurate production and royalty reporting;
- 2) enforce federal regulations requiring lease operators to obtain approval for TA status;
- 3) allow SI status for wells capable of producing in paying quantities; and
- 4) recommend that operators with large numbers of idle wells post additional bond coverage to indemnify the BLM against having to abandon orphaned wells.

The methods that the BFO will use to accomplish this objective have been, and will continue to be developed in collaboration with the California Division of Oil, Gas, and Geothermal Resources (**CDOGGR**), and with the individual operators. These steps will encourage operators to return wells to production, and to properly plug uneconomic wells. They will also ensure that idle oil and gas wells do not act as conduits for wellbore fluids to migrate and endanger valuable surface or groundwater resources (**43 CFR 3162.5-2(d)**).

## **I. APPROVAL FOR TEMPORARILY ABANDONED (TA) WELLS**

All TA wells must have a current BLM approval. “No well may be temporarily abandoned for more than 30 days without prior approval of the authorized officer” (**43 CFR 3162.3-4(c)**). All wells which do not possess equipment sufficient to produce oil or gas, or for use as an injection or disposal well must be approved to be classified as TA. For all unapproved wells, and those without current TA approval, “Operators shall promptly plug and abandon, in accordance with a plan first approved in writing or prescribed by the authorized officer, ...a producing well... [which is] no longer capable of producing oil or gas in paying quantities, unless the authorized officer shall approve the use of the well as a service well for injection to recover additional oil or gas or for subsurface disposal of produced water”. (**43 CFR 3162.3-4 (a)**).

To obtain TA approval for a well, the operator must submit a Sundry Notice (Form 3160-5 submitted either by mail or via BLM’s electronic Well Information System) to the Bakersfield Field Office with all of the following information attached (items 1 through 4 below):

1. Rationale for temporary abandonment, rather than permanently abandoning the well; and
2. The time period (up to 12 months) that the well will be TA. The AO may

subsequently approve delays in permanent abandonment for additional 12 month periods; and

3. Plans for demonstrating downhole integrity of the well. This requirement shall be satisfied by the CDOGGR's annual **Idle Well Planning and Testing Program**. The cost and complexity of idle (TA) well testing depends upon the length of time a well has remained idle; and

**Five-year Idle Wells:** All wells that have *not produced oil or natural gas or been used for fluid injection for a continuous six-month period during the most recent five-year period* must submit a fluid level determined using acoustical, mechanical, or other reliable method, or other diagnostic tests as may be acceptable to the AO.

**Ten-year Idle Wells:** All of the specific requirements for testing wells in this category are identified in the CDOGGR idle well testing requirements. BLM must receive copies of all fluid level and/or casing pressure test data to authorize continued TA approval. Depending on the results of the initial test, **subsequent tests may be required once every 2 years in areas containing a useable water aquifer, additional potentially productive hydrocarbon zone(s), or other prospectively valuable mineral deposits to be protected**, or once every 5 years in other areas.

**Fifteen-year Idle Wells:** All wells idle 15 years or longer must have an engineering study prepared and submitted to the AO detailing the operator's future plans for the well. Plans which simply state that the well is considered a future water(or steam)-flood candidate, or that the well will be returned to production when prices improve are insufficient justification. **All proprietary data, including engineering and/or geologic information will be held confidential by the AO.** Testing requirements for wells in this category are typically more stringent than for Ten-year idle wells.

4. Plans for isolating the perforations:

**When geologic data indicate the absence of usable water aquifers**, additional potentially productive hydrocarbon zones, or other prospectively valuable mineral deposits, **and the fluid level is static and consistent with the reservoir pressure, no isolation of the perforations is required.**

If geologic data indicate the presence of usable water aquifers, etc., current BLM regulations require the Operator to specify a means of isolating open perforations. With acceptable justification, this requirement will typically be waived by the AO.

Alternatively, BLM will notify the operator when a well is found to be in an unsatisfactory condition (e.g. rising fluid level and/or failed mechanical integrity test). The operator must then submit plans to isolate the perforations or to repair the casing or abandon the well within 90 days. **Work to isolate the perforations, to repair or to permanently abandon the well must be completed within 180 days.**

Failure to submit a sundry to request TA approval may result in issuance of an Incident of Non-compliance (INC), and associated fines and/or assessments.

## II. APPROVAL FOR SHUT-IN (SI) WELLS

With acceptable justification, wells which remain capable of producing oil or gas in paying quantities may be granted SI status. No well may be shut in for more than 180 days without prior approval of the Authorized officer (SI status). To obtain SI approval for a well, the operator must submit a Sundry Notice (Form 3160-5 submitted either by mail or via BLM's electronic Well Information System) to the Bakersfield Field Office, along with all the required justification. Wells in this category that have not produced oil or natural gas during a six consecutive month period during the most recent 5 year period must comply with the same testing and reporting requirements as those for TA wells. **It is important to note that for a federal well to be considered "Shut-in", all equipment required to produce the well, or for it's use as a service well must remain in place.** To put it another way, shut-in wells may be returned to productive use by simply flipping a switch on a pump, by reconnecting a flowline, or by opening a valve. Based upon information provided from field inspections, very few long-term (> 5 years) idle wells on active federal leases in California are eligible for shut-in status. **Operators must request TA approval from the AO, for all other wells (from which some or all equipment has been removed).**

## III. MECHANICAL INTEGRITY TESTS

**A. Types:** The operator shall conduct reasonable tests which will demonstrate the mechanical integrity of the downhole equipment (**43 CFR 3162.4-2(b)**). When required, tests must include one of the following:

1. A casing pressure integrity test. **Wells that have remained idle for less than five years are generally exempt from this requirement.** All wells that have remained continuously idle for more than five years should have casing strings below the [surface] conductor pressure tested to 0.22 psi/ft of casing shoe depth, not to exceed 70% of internal yield pressure; or
2. A casing inspection log such as a caliper log, casing wall thickness log; or
3. Fluid level surveys, temperature surveys, pressure gradient surveys, or other methods generally consistent with professional engineering standards which may be acceptable to the AO.

**B. Frequency:** provided the initial test is acceptable, subsequent testing may be required either (1) every two years in areas containing a useable water aquifer, additional potentially productive hydrocarbon zone, or other prospectively valuable mineral deposits; or (2) once every 5 years in all other areas.

**C. Witnessing:** The operator shall contact the AO (661-391-6151 :24/7) at least 24

hours prior to the scheduled test, so that a BLM representative may witness the mechanical integrity test. If an independent third party is contracted by the operator to conduct the mechanical integrity test, the contractor's equipment must be capable of recording test data on a chart. All inspection and test data must be provided to the BLM, either by the operator, or by arrangement with the CDOGGR. BLM may waive this requirement upon request, on a case-by-case basis.

**D. Exceptions:** Operators who have filed an approved **Idle Well Management/Elimination Plan** (IWMP) with the California State Oil & Gas Supervisor under California Public Resources Code (PRC) section 3206, and who are otherwise in compliance with federal regulations regarding their lease operations, may be eligible for deferment of some of the testing requirements if they substantially increase their idle well elimination rate beyond that called for in the IWMP. Approval of this deferment lies first with the CDOGGR then subsequently with the BLM for federal wells. This exemption can only be applicable to operators who are in compliance with all CDOGGR requirements and have received their approval, and have provided a copy of their IWMP to the AO .

All requests for approval of TA and SI wells as well as any test data that has been collected should be sent to the Bakersfield Field Office, Bureau of Land Management, 3801 Pegasus Dr., Bakersfield, CA 93308, attention of John Kaiser.

Questions regarding this policy should be directed to John Kaiser, Petroleum Engineer, at (661) 391-6142, or Patricia Gradek (**Authorized Officer**) at (661) 391-6131.